

# **EXHIBIT 11**

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Page 1

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SERGEY LEONTIEV,

Plaintiff,

Case No. 16-cv-3595

-against-

ALEXANDER VARSHAVSKY,

Defendant.

-----x  
December 20, 2016

9:35 a.m.

13 \*\*\* CONFIDENTIAL \*\*\*

14  
15 Videotaped deposition of  
16 KAMO AVAGUMYAN, taken by Plaintiff,  
17 pursuant to Notice, held at the offices of  
18 Roschier Asianajotoimisto Oy, Keskuskatu  
19 7A, Helsinki, Finland, before  
20 Sharon Lengel, a Registered Professional  
21 Reporter, Certified Realtime Reporter, and  
22 Notary Public of the State of New York.

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3

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17 BY: NICHOLAS C. TOMPKINS, ESQ.  
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19 ALISA MELEKHINA, ESQ.

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25

15 ALSO PRESENT:

16 DAVID ROSS ELLIOTT, Videographer  
17 VICTORIA FRANTSEVA, Interpreter  
18 VICTOR POTAPOV, Check Interpreter  
19 VITALIY POPOV, ESQ.

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1                   K. AVAGUMYAN - CONFIDENTIAL

2                   A. I work as the chairman of the  
3 board of the company Akita.

4                   Q. And what does Akita do?

5                   A. It's a managing company which  
6 manages the assets of the companies where  
7 I'm also a shareholder.

8                   Q. Who owns Akita?

9                   A. I own Akita with my partner,  
10 Varshavsky.

11                  Q. How much of Akita do you own?

12                  A. 50 percent.

13                  Q. And Mr. Varshavsky owns  
14 50 percent?

15                  A. Yes.

16                  Q. Is Avilon Automobile Group one  
17 of the companies that Akita manages?

18                  A. Yes.

19                  Q. Do you hold any positions in  
20 Avilon Automobile Group?

21                  A. At this point, I do not.

22                  Q. Have you ever held a position at  
23 Avilon?

24                  A. Yes.

25                  Q. When and what position?

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2           A.       Chairman of the board.

3           Q.       When?

4           A.       Starting about 2010.

5           Q.       When was Akita formed?

6           A.       Last year.

7           Q.       Do you have an ownership  
8       interest in Avilon?

9           A.       I own 45 percent of Avilon.

10          Q.       Who are the other owners of  
11       Avilon?

12          A.       Varshavsky, and we also have a  
13       partner, Bakonenko.

14          Q.       Anyone else?

15          A.       These are the main owners.

16          Q.       How much do Mr. Varshavsky and  
17       Mr. Bakonenko own?

18          A.       25 percent each.

19          Q.       You said you became chairman or  
20       you were chairman of Avilon beginning in  
21       about 2010.

22                 Did you have a position at  
23       Avilon before then?

24          A.       I was a shareholder.

25          Q.       When was Avilon formed?

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2                   An economist and a attorney.

3                   Q.        Where were you working in 2008?

4                   A.        In 2008, I owned shares at ERK.

5                   So I worked at ERK.

6                   Q.        What were you doing for ERK?

7                   A.        I had the same -- I had the same  
8 responsibilities everywhere. I did not  
9 tackle the operational side of the  
10 business. I was the chairman of the board  
11 of directors.

12                  Q.        Why was Akita formed?

13                  A.        To manage more effectively. And  
14 as far as I know, there is a form of  
15 governing a company and huge holdings like  
16 that for a more effective management of  
17 the other companies.

18                  Q.        Forgive me if I've asked this  
19 already. But are the owners of Akita the  
20 same as the owners of Avilon?

21                  A.        Akita is owned by me and  
22 Varshavsky, and Avilon is owned also by  
23 Igor Bakonenko.

24                  Q.        How do you hold your interest in  
25 Akita?

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2                   A.        Through also and off-shore  
3 company.

4                   Q.        Is it the same off-shore  
5 company, Boncast?

6                   A.        (In English) No.

7                   Q.        What's the name of the company  
8 that --

9                   A.        Max Bond.

10                  Q.        Max Bond?

11                  Did you ever hold office as in  
12 the -- in the general prosecutor's office  
13 of Armenia?

14                  A.        No. I have never held an office  
15 in the general prosecutor's office in  
16 Armenia.

17                  Q.        You were not the deputy general  
18 prosecutor of Armenia?

19                  A.        No. I have never been deputy  
20 general prosecutor of Armenia.

21                  Q.        Have you discussed the subject  
22 of this lawsuit with Mr. Varshavsky?

23                  MR. SMITH: Objection to form.

24                  A.        He is aware that I was coming  
25 here to testify. He knows that I will be

1 K. AVAGUMYAN - CONFIDENTIAL

2 testifying.

3 Q. Did you discuss what you would  
4 say in your testimony?

5 A. We discussed that I will only  
6 tell the truth and only the truth, and I  
7 will answer truthfully to the questions  
8 that the attorneys will ask me.

9 Q. Other than Avilon and ERK, have  
10 you been in any other business ventures  
11 with Mr. Varshavsky?

12 A. We do have another company right  
13 now, and we're dealing in agricultural or  
14 we're doing agricultural business.

15 Q. What is the name of that  
16 company?

17 A. The name of the company is Agro  
18 Invest.

19 Q. When was Agro Invest formed?

20 A. About three years ago.

21 Q. And are you and Mr. Varshavsky  
22 the only owners of Agro Invest?

23 A. Yes, Mr. Varshavsky and I,  
24 50/50.

25 Q. What is the business of Avilon?

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2                   MR. SMITH: Objection to form.

3                   A. It sells cars, also maintenance  
4 and repairs.

5                   MR. SMITH: Marshall, can we  
6 clarify that one? You asked -- you  
7 asked about Avilon. I think he's  
8 already testified there are three  
9 different Avilon companies.

10                  MR. KING: Got it.

11                  MR. SMITH: I think he may have  
12 answered with respect to one of them.

13                  MR. KING: Got it.

14                  MR. SMITH: So --

15                  MR. KING: Got it.

16                  MR. SMITH: Thank you.

17                  Q. The company that you just  
18 described is Avilon Automobile Group?

19                  A. (In English) Yes.

20                  Q. And Avilon Plaza is a separate  
21 company or -- strike that.

22                  Avilon Plaza is a separate  
23 company that is involved in real estate?

24                  A. Yes.

25                  Q. And Avilon Holding holds both of

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2                   those companies; is that correct?

3                   A.        (In English) Yes.

4                   Q.        Does Avilon Holding own anything  
5                   else?

6                   A.        Avilon Plaza, Auto Logistics.

7                   That's it. Maybe I'm forgetting  
8                   something. You know the structure of my  
9                   company better than me.

10                  Q.        I doubt that.

11                  A.        We also created a company, Agro  
12                  Firma, and -- which deals in animals --  
13                  agricultural animals.

14                  Q.        Did you personally have a  
15                  banking relationship with Probusinessbank?

16                  A.        I have -- I had a personal  
17                  relationship with Mr. Zheleznyak Alexander  
18                  Dmitrievitch, Probusinessbank's -- the  
19                  chairman of the board of Probusinessbank.

20                  Q.        And how do you know -- how did  
21                  you meet Mr. Zheleznyak?

22                  A.        I met him a very, very long time  
23                  ago, because the accounts of our company  
24                  were at Probusinessbank.

25                  Q.        Which company are you referring

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2                   to?

3                   A.        Avilon.

4                   Q.        Did you ever borrow money in  
5                   your personal capacity from  
6                   Probusinessbank?

7                   A.        I have not personally ever taken  
8                   any loans from them.

9                   Q.        Did you personally have a bank  
10                  account at Probusinessbank?

11                  A.        Yes. I did have a credit card  
12                  with them.

13                  Q.        Did you ever introduce other  
14                  people or entities to Probusinessbank for  
15                  purposes of them obtaining credit from  
16                  Probusinessbank?

17                  MR. SMITH: Objection to form.

18                  A.        There was one case. Yes.

19                  Q.        Who did you introduce to  
20                  Probusinessbank?

21                  A.        My school friend, he owns a  
22                  company named Paritet.

23                  Q.        And what is the name of your  
24                  school friend?

25                  A.        Ararat Arakelyan.

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2                   A.        I have promissory notes. If  
3 that means lending, then yes. I have  
4 promissory notes that have nothing to do  
5 with Probusinessbank.

6                   Q.        What do you have promissory  
7 notes related to?

8                   A.        I have promissory notes that I  
9 received from the company called Life.

10                  Q.        What were the circumstances of  
11 you receiving promissory notes from the  
12 Life Group?

13                  A.        The history of those promissory  
14 notes is as follows: Mr. Zheleznyak, with  
15 whom I have been friends for a long time,  
16 offered -- suggested that I invest my own  
17 money into the Life Group, which was  
18 controlled by him and his partner,  
19 Leontiev.

20                  The essence of the business was  
21 that they dealt in trading business,  
22 trading businesses. So they bought  
23 shares, and then they played the stock  
24 exchange and insured a very high interest  
25 rate, much higher than if the money was

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2       simply invested into their bank. And  
3       starting from 2010 or 2011, I started  
4       investing into these projects, the  
5       so-called promissory notes.

6           Q.       So --

7           A.       But I have never issued any  
8       credits to Probusinessbank, never gave  
9       them any loans.

10          Q.       So sometime around 2010, you had  
11       a conversation with Mr. Zheleznyak?

12           MR. SMITH: Objection to form.

13          A.       Yes.

14          Q.       Where did the conversation take  
15       place?

16          A.       In my office.

17          Q.       Where was your office?

18          A.       Avilon Plaza, same place where  
19       Zheleznyak's office was.

20          Q.       What did Mr. Zheleznyak tell you  
21       about the Life Group?

22          A.       He said that it's a financial  
23       group outside of the bank, which they  
24       formed together with Leontiev, and Sasha  
25       Zheleznyak's function was to attract money

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2    into that group. And Mr. Leontiev's  
3    function was to place the money and ensure  
4    high percentage rates.

5                   Q.     Did Mr. Zheleznyak provide you  
6    with any documentation concerning the Life  
7    Group or its investments?

8                   A.     What kind of documentation do  
9    you mean?

10                  Q.     Did he provide you any sort of  
11    investment package or financial  
12    information concerning the Life Group?

13                  A.     I saw something, but I cannot  
14    recall at this point what exactly -- what  
15    kind of documents exactly. I would like  
16    to point out that Mr. Zheleznyak and I  
17    were friends, and I trusted him very much.  
18    Moreover, the accounts of our company were  
19    at his bank, so we had no problems.

20                  Q.     He was asking you for an  
21    investment from you personally; correct?

22                  A.     Yes.

23                  Q.     Did you decide to invest with  
24    the Life Group?

25                  A.     Yes, I did, and I was very happy

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2 with it.

3                   Q. Why were you happy with it?

4                   A. Because they really provided  
5 very high percentages, about 9, 10 percent  
6 annually. And they paid out regularly.

7                   Q. So the interest rate that was  
8 being offered to you was higher than other  
9 interest rates available to you for  
10 investments?

11                  A. At that time, yes.

12                  Q. Did you understand that there  
13 was any risk involved with these  
14 investments?

15                  A. There are always risks with  
16 every business. But as far as I knew,  
17 Leontiev was a pretty successful trader,  
18 and people said that he was good at buying  
19 high-liquidity papers, at least in  
20 different networks. That's what people  
21 talked about.

22                  Q. Did you ask Mr. Zheleznyak for  
23 any information about what kinds of  
24 securities Financial Group "Life" was  
25 investing in?

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2                   MR. SMITH: Is there a time  
3                   period for that question or at any  
4                   time?

5                   Q. At the time that you first  
6                   invested with him.

7                   A. We were talking about the shares  
8                   of very large American companies, like  
9                   Apple and many others, very famous, and  
10                  heard of -- Facebook, I think, huge  
11                  companies. And he said that Leontiev was  
12                  a very experienced professional. I had no  
13                  reason to believe that it wasn't so,  
14                  because they were successful, and their  
15                  bank was very successful. So everything  
16                  went very well.

17                  Q. How much money did you invest  
18                  with him?

19                  A. I started investing 1 million or  
20                  2 million at a time. And from 2010,  
21                  altogether, I invested about \$20 million  
22                  and about 5 million Euros, which have  
23                  not -- which was not returned.

24                  Q. How physically did you make the  
25                  investment? How did you transfer the

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2                   money to Financial Group "Life"?

3                   A.       Physically, it happened in this  
4                   way. I gave the money in cash at my  
5                   office in portions that, at that time,  
6                   were supposed to be invested. Usually,  
7                   two of the employees of the company came  
8                   to my office for the money. It was -- for  
9                   the most part, it was Yanna Krisiuk and  
10                  Natalia Abramova. They were at our office  
11                  also.

12                  They were renting -- they were  
13                  renting an office at our building. And  
14                  they came from the second floor of their  
15                  office to my office on the 19th floor.  
16                  They took the money, and they went back to  
17                  the second floor. In return, I received a  
18                  promissory note for the amount that I  
19                  issued at the time -- I gave them at the  
20                  time.

21                  Q.       So you handed Ms. Krisiuk or  
22                  Ms. Abramova a million dollars in cash?

23                  A.       Yes.

24                  Q.       Why did you do it in cash?

25                  A.       Because, initially, that was a

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2    wish -- it was a wish from Zheleznyak,  
3    that it would be easier for them to deal  
4    in cash. And secondly, in Russia, there  
5    is no ban on cash -- on using cash, so I  
6    thought it was a normal procedure. What  
7    they did with the money further, I do not  
8    know. They could have taken it and put it  
9    into some accounts or invested. I am not  
10    aware of what happened later.

11                  Q.    And so when you made your first  
12    million-dollar investment, you had a  
13    million dollars in U.S. cash sitting in  
14    your office.

15                  A.    Yes. I collected cash.

16                  Q.    And was the money contained --  
17    placed in any sort of container when you  
18    passed it on to Ms. Krisiuk or  
19    Ms. Abramova?

20                  A.    Physically, it was just put in a  
21    bag. And Krisiuk came with a -- with a  
22    guard, took the bag, and used the elevator  
23    to go to the second floor.

24                  Q.    And did she hand you back a  
25    promissory note at the same time that you

1                   K. AVAGUMYAN - CONFIDENTIAL

2 handed her the cash?

3                   A. Yes.

4                   Q. So she came with a promissory  
5 note and handed it to you at the same time  
6 she took the cash from you.

7                   A. Sometimes. And then sometimes,  
8 I gave them the money, and then they  
9 brought back the promissory notes in the  
10 evening, because we were in the same  
11 building. For the most part, Krisiuk was  
12 the lady that I dealt with. Abramova was  
13 sometimes also the contact person, but  
14 mostly Krisiuk.

15                  Q. How was the interest rate for  
16 the notes decided upon?

17                  A. Zheleznyak and Leontiev agreed  
18 upon it, usually. Sometimes we  
19 negotiated; they offered 8 percent or 9,  
20 and I wanted 10. And then Krisiuk took a  
21 break, and she went and discussed it with  
22 Zheleznyak and Leontiev. And sometimes  
23 Zheleznyak called me directly and said, "I  
24 cannot give you 10, but I can give you 9."  
25 So it was a negotiation, the process of

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2 negotiating.

3 Q. Who decided that you would  
4 receive a promissory note in exchange for  
5 your investment?

6 A. I did not -- I did not  
7 understand the question.

8 Q. Did you discuss with  
9 Mr. Zheleznyak whether you would enter  
10 into a loan agreement with Financial Group  
11 "Life"?

12 A. I don't remember signing  
13 anything.

14 Q. Did you discuss with him whether  
15 you would enter into a loan agreement?

16 A. I cannot recall anything like  
17 that.

18 Q. How was it decided that you  
19 would get a promissory note? Did you ask  
20 for a promissory note, or did he offer you  
21 a promissory note?

22 A. No. He offered promissory  
23 notes. This was the kind of investment  
24 where I give the money, and they provide  
25 the interest rate outside of the bank.

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2       And the promissory note was the document  
3       that -- that showed that I gave them that  
4       money.

5       Q.        Were the promissory notes issued  
6       to you?

7       A.        No.   They were issued to my son.

8       Q.        Why?

9       A.        That was my decision, because I  
10      took it as the money that I wanted my son  
11      to inherit. This money was -- this money  
12      was not used for any other purposes. It  
13      was just a -- the money designated for my  
14      son, like an inheritance. Somebody buys a  
15      house for their son, somebody buys a car,  
16      and somebody a promissory note. I decided  
17      to buy promissory notes and leave them for  
18      my son. And, naturally, my son knew about  
19      the existence of these promissory notes,  
20      but I kept them.

21       Q.        Do you have any other children?

22       A.        Yes. I have another son.

23       Q.        And did you obtain promissory  
24      notes in the name of your other son?

25       A.        No.

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2                   Q.        How often was interest paid on  
3 the notes?

4                   A.        Every month, one time per month.

5                   Q.        And to whom was the interest  
6 paid?

7                   A.        Personally to me. Krisiuk  
8 brought it.

9                   Q.        In what form did she bring it?

10                  A.        Same, in cash. Same as I gave  
11 them the investment money, same way they  
12 brought me back the interest.

13                  Q.        Did you pass the interest on to  
14 your son?

15                  A.        No. I collected it, and, as I  
16 collected an X amount of money before the  
17 next million, then I invested it back  
18 again, and I bought another promissory  
19 note with it. Most of the promissory  
20 notes were for \$1 million, maybe a little  
21 bit more or a little bit less sometimes,  
22 depending on how much free cash I was able  
23 to collect.

24                  Q.        Did you and Mr. Zheleznyak  
25 discuss the term of the investment, how

1                   K. AVAGUMYAN - CONFIDENTIAL

2 promissory notes when you received them?

3                   A. I put them in my safe.

4                   Q. You have a safe in your office  
5 at Avilon Plaza?

6                   A. Yes.

7                   Q. Do you still have copies of  
8 promissory notes in that safe?

9                   A. Yes.

10                  Q. Did you keep any record of how  
11 much in interest you received on the  
12 promissory notes?

13                  A. Can you re-ask the question,  
14 please, in different way?

15                  Q. Sure.

16                  A. Because I received as many  
17 percent as it said. Some of the money I  
18 spent; some of the money I collected  
19 again, and then I gave it back to them.

20                  Q. Did you keep track in -- on any  
21 document of the interest that you were  
22 supposed to receive and the interest you  
23 did receive?

24                  A. No, I do not -- no, I do not  
25 have a document. I always received the

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2        money on the same day that it was  
3        promised. Yanna Krisiuk came up in the  
4        elevator with the money, and I either  
5        spent it or saved it, collected it for  
6        future investments. I liked that  
7        business.

8                   Q.        Did you have any involvement in  
9        Avilon granting loans to a company called  
10       Ambika?

11                  A.        Like I said before, I did not do  
12        any operational management. That's why I  
13        did not get involved in any kind of  
14        signing of agreements or anything like  
15        that. The management dealt with that.  
16        But I am aware of the situation that we  
17        had a history of interaction with Ambika,  
18        which, just like Life Group, was under the  
19        control of Zheleznyak and Leontiev.

20                  Q.        When did you learn about Ambika?

21                  A.        Maybe five years ago. I don't  
22        remember exactly.

23                  Q.        And who told you that it was  
24        under the control of Zheleznyak and  
25        Leontiev?

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2                   A.        Zheleznyak personally talked  
3 about it.

4                   Q.        What were the --

5                   A.        Because I have never dealt with  
6 Leontiev personally. Moreover, our  
7 management worked with their management,  
8 and all the conditions were discussed with  
9 Zheleznyak also.

10                  Q.        Okay. How do you know that?

11                  A.        I know because of our management  
12 stories, because they invested, and they  
13 also paid all the interest timely to the  
14 company. This was not in cash. This was  
15 under the control of our financial unit  
16 and the auditors.

17                  Q.        When did you learn for the first  
18 time that Avilon made a loan to Ambika?

19                  A.        About five years ago.

20                  Q.        Who told you?

21                  A.        The management.

22                  Q.        Who?

23                  A.        We have the financial unit.

24                  Q.        Who?

25                  A.        We have Monakhova, and also I

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2                   Q.       At any point in time, did you  
3 and Mr. Zheleznyak discuss whether  
4 Probusinessbank would guarantee repayment  
5 of the notes?

6                   A.       No. We have never talked about  
7 the bank. I understood that the bank  
8 could not guarantee the promissory notes,  
9 and that's why we never did discuss with  
10 the bank, and I understood why I was  
11 getting interest so high. They were  
12 higher than the bank percentage rates --  
13 interest rates.

14                  Q.       I think we discussed earlier  
15 that each of the notes was issued for a  
16 term of one year.

17                  Do you recall that?

18                  A.       Yes.

19                  Q.       And, occasionally, you would ask  
20 to have the principal repaid, but  
21 sometimes you would ask to have a new note  
22 issued; correct?

23                  A.       Yes. So we would extend it.

24                  Q.       How did that work mechanically?

25                  A.       So when the term -- so when the

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2                   term of validity was close to expiring on  
3                   the promissory note, either Zheleznyak  
4                   called me or Yanna Krisiuk came to me and  
5                   asked me, "Shall we return the money?"  
6                   And if I needed the money at the time,  
7                   then I took the money back; so they  
8                   brought it back in a bag. But if I didn't  
9                   need the money, then they prepared a new  
10                   promissory note for a new date for one  
11                   year and took the old promissory note  
12                   back -- I mean, the original.

13                   Q.       Did you make copies of any  
14                   expired promissory notes?

15                   A.       I have always had copies,  
16                   because they brought an original and a  
17                   copy. But I didn't keep the copies. So  
18                   when the term expired, they took the  
19                   original back, and they gave me a new  
20                   original of the promissory note. So the  
21                   old one -- the copy of the old one I did  
22                   not need. So I destroyed them. I did not  
23                   keep them.

24                   Q.       Did you ever give copies of the  
25                   notes to your son?

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2                   MR. KING: I think it's clear,  
3                   but -- is it past due?

4                   MR. SMITH: Yeah. I think it's  
5                   past due.

6                   MR. KING: Past due?

7                   MR. SMITH: Yeah.

8                   MR. KING: Fine.

9                   MR. SMITH: Thank you.

10                  Q. Up until last August of 2015,  
11                  Financial Group "Life" was current with  
12                  respect to its interest payments?

13                  A. Yes, it was. And Yanna brought  
14                  the money, like she did before. And I  
15                  have to check, but in May or June, I also  
16                  made investments. I have to check the  
17                  promissory notes.

18                  Q. When you received the promissory  
19                  notes from Ms. Krisiuk, did you read them  
20                  to make sure they were accurately  
21                  reflecting the terms of your loan?

22                  A. The thing that I paid attention  
23                  to was the interest, which I always  
24                  communicated verbally -- communicated  
25                  verbally with Zheleznyak.

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2                   to do with this promissory note or these  
3                   promissory notes.

4                   Q.        And you knew that because  
5                   Mr. Zheleznyak told you that the bank had  
6                   nothing to do with it?

7                   A.        Definitely so. He said that the  
8                   only two people that have anything to do  
9                   with it are him and his partner, Leontiev,  
10                  who have a business outside, personal  
11                  business outside of the bank.

12                  Q.        Did you ever ask Mr. Zheleznyak  
13                  to get Mr. Leontiev to sign a guarantee in  
14                  writing for these notes?

15                  A.        No. I have never asked him  
16                  about this.

17                  Q.        Have you ever seen a guarantee  
18                  in writing from Mr. Leontiev for these  
19                  notes?

20                  A.        No.

21                  Q.        As I understand it, you were  
22                  comforted by seeing Mr. Zheleznyak's  
23                  signature on these notes. You thought  
24                  that was good enough?

25                  A.        Yes. I thought it was good

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2                   or --

3                   MR. SMITH: That would be great.

4                   THE VIDEOGRAPHER: Okay. This

5                   is the end of Media 2, Volume I.

6                   We're going off the record at

7                   12 minutes past 12:00 p.m., as

8                   indicated on the video screen. Thank  
9                   you.

10                   (Recess)

11                   (Plaintiff's Exhibit 47, A  
12                   promissory note, Bates SL0000024, was  
13                   hereby marked for identification, as  
14                   of this date.)

15                   THE VIDEOGRAPHER: This is the  
16                   beginning of Media 3, Volume I, in the  
17                   video deposition of Mr. Kamo  
18                   Avagumyan. We're back on the record  
19                   at 12:29 p.m., as indicated on the  
20                   video screen.

21                   BY MR. KING:

22                   Q. Who is Diana Karapetyan?

23                   A. I do not know.

24                   Q. Do you know anyone named  
25                   Karapetyan?

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2                   MR. KING: The word "assign" was  
3                   translated as something else?

4                   MR. SMITH: Well, I think it was  
5                   "assigned" -- "assigned the right to  
6                   collect the documents."

7                   MR. KING: Oh, all right.

8                   MR. SMITH: So it's kind of a  
9                   different question.

10                  MR. KING: We'll --

11                  MR. SMITH: You might want to  
12                  re-ask your question.

13                  MR. KING: I will re-ask. I do  
14                  see that it was -- in English, at  
15                  least, it's that way.

16                  THE CHECK INTERPRETER: It's  
17                  ambiguous.

18                  MR. KING: Okay.

19                  BY MR. KING:

20                  Q. Your son had a right to collect  
21                  money from Financial Group "Life" under  
22                  the promissory notes; correct?

23                  A. Correct.

24                  Q. Did your son ever legally assign  
25                  the right to collect the money under the

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2 notes to Mr. Varshavsky?

3                   MR. SMITH: Object to form.

4                   Foundation.

5                   A. My son nominally owns these  
6 promissory notes. I managed the  
7 promissory notes. They're in my safe. He  
8 never managed them himself. And I asked  
9 Varshavsky to when he's in the  
10 United States, and I knew that the legal  
11 proceedings were starting -- his legal  
12 proceedings were starting.

13                   And I did ask him to touch on  
14 the questions that concerned my personal  
15 money. I don't think that, between me and  
16 my partner, we have to sign any kind of  
17 legal documents regarding this request.

18                   Q. Who has the right to collect the  
19 money that is owed on the notes?

20                   MR. SMITH: Objection to form  
21 and foundation.

22                   A. The whole time, I was the one  
23 getting -- collecting the money. So I  
24 think I have the right to collect the  
25 money.

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1

2 CERTIFICATION

3

4 I, SHARON LENGEL, a Notary Public for  
5 and within the State of New York, do  
6 hereby certify:

7 That the witness whose testimony as  
8 herein set forth, was duly sworn by me;  
9 and that the within transcript is a true  
10 record of the testimony given by said  
11 witness.

12 I further certify that I am not  
13 related to any of the parties to this  
14 action by blood or marriage, and that I am  
15 in no way interested in the outcome of  
16 this matter.

17 IN WITNESS WHEREOF, I have hereunto  
18 set my hand this 29th day of December,  
19 2016.

20



21 -----

22 SHARON LENGEL

23

24

25